

HELM

FINANCIAL CORPORATION

One Embarcadero Center • San Francisco, CA 94111
415/398-4510 FAX 415/398-4816

March 20, 2001

Mr. Vernon Williams
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001

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MAIL
MANAGEMENT
SIB

Dear Mr. Williams:

Enclosed are two (2) originals of a Memorandum of Net Lease Agreement dated January 19, 2001 which is intended to evidence that certain Net Lease Agreement dated as of January 19, 2001 between the following parties:


Lessor:	Helm Financial Corporation One Embarcadero Center, Suite 3700 San Francisco, CA 94111
Lessee:	Highwood Resources Ltd. 734 7th Avenue SW, Suite 715 Calgary, AB T2P 3P8 Canada

A short summary of the document to appear in the index follows:

Memorandum of Net Lease Agreement dated February 25, 1998 between **Helm Financial Corporation** as Lessor and **Highwood Resources LTD.** as Lessee, covering thirty-five (35) railcars from within the series **HLMX 107-234 (ni)**.

Please file this memorandum as a primary document and return one (1) stamped original to my attention. A check covering the twenty-seven dollar (\$27.00) filing fee is enclosed.

Yours truly,



Alison Drain
Document Administrator

/ad
Enclosures (2)

011/amc/cr/jr901.final ad/02/17/01

RECORDATION NO. 23440 FILED

APR 2 '01 11:40 AM
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SURFACE TRANSPORTATION BOARD

RECORDATION NO. 23440 FILED

MEMORANDUM OF
NET LEASE AGREEMENT

APR 2 '01 11:40 AM

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF NET LEASE AGREEMENT ("Memorandum") is dated as of January 19, 2001 and is intended to evidence that certain Net Lease Agreement dated as of January 19, 2001 ("Lease") between HELM FINANCIAL CORPORATION, a California corporation ("Lessor"), and HIGHWOOD RESOURCES LTD., a Canadian corporation ("Lessee"), for the purpose of satisfying the requirements of recordation with the Surface Transportation Board of the Department of Transportation under Section 49 of U.S.C. 11301. Lessor has the right to lease the rail equipment, more fully described in Schedule A hereto ("Units"). Lessee leased from Lessor the Units at the Rent and upon the terms and conditions provided in the Lease.

The Lease and the Units cannot be assigned, subleased or in any way encumbered without the prior written consent of Lessor. Lessee has granted a security interest unto Lessor in and to any and all Payments, as such term is defined in the Lease, including, without limitation, any and all Rent and other Payments pursuant to any sublease of the Units. In the Event of Default, as such term is defined in the Lease, Lessee assigns any and all subleases to Lessor.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed by their duly authorized representative as of the day and year first above written.

LESSOR

LESSEE

HELM FINANCIAL CORPORATION

HIGHWOOD RESOURCES LTD.

By: John F. Dains

By: Stefan M. Michalewicz

Name: John F. Dains

Name: Stefan M. Michalewicz

Title: President

Title: Manager, Traffic Logistics

[Handwritten mark]

SCHEDULE A
TO THE MEMORANDUM OF LEASE

THE UNITS

Equipment Description:

Thirty-five (35), 100-ton, roller bearing, 1947 cubic foot, two (2) pocket, open top hopper railcars.

Unit Numbers:

HLMX	107
HLMX	113
HLMX	114
HLMX	116
HLMX	127
HLMX	129
HLMX	130
HLMX	132
HLMX	135
HLMX	140
HLMX	144
HLMX	147
HLMX	149
HLMX	152
HLMX	153
HLMX	158
HLMX	160
HLMX	162
HLMX	166
HLMX	177
HLMX	186
HLMX	188
HLMX	193
HLMX	197
HLMX	198
HLMX	200
HLMX	201
HLMX	210
HLMX	211
HLMX	221
HLMX	224
HLMX	225
HLMX	231
HLXM	232
HLMX	234

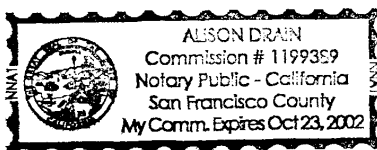
STATE OF CALIFORNIA)
) S.S.
COUNTY OF SAN FRANCISCO)

On January 24th, 2001, before me, Alison Drain, personally
appeared John F. Dains, President of **HELM FINANCIAL CORPORATION**,

X personally known to me -OR-

___ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and
acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s), or the entity upon behalf of which the person(s)
acted, executed the instrument.



Witness my hand and official seal.

Alison Drain
SIGNATURE OF THE NOTARY

[Notarial Seal]

PROVINCE OF ALBERTA)
) S.S.
DISTRICT OF CALGARY)

On January 23, 2001, before me, Christiana Knight, personally
appeared Stefan Michalewicz, Mgr. Traffic Logistics of **HIGHWOOD RESOURCES LTD.**,

X personally known to me -OR-

___ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and
acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s), or the entity upon behalf of which the person(s)
acted, executed the instrument.

WITNESS my hand and official seal.

M. Christiana Knight
SIGNATURE OF COMMISSIONER OF OATHS

[Seal]

MARTHA CHRISTIANA KNIGHT
Commissioner for Oaths
in and for the Province of Alberta
Appointment expires December 31, 2002
(Appointee #00662815)

[Handwritten mark]